

May 12, 2006

Mary L. Cottrell, Secretary  
Department of Telecommunications and Energy  
One South Station  
Boston, MA 02110


**Re: DTE 06-22**

Dear Secretary Cottrell:

On behalf of Massachusetts Electric Company and Nantucket Electric Company d/b/a National Grid, I am providing responses to all of the Department's first set of information requests except for DTE 1-3. The Company respectfully requests an additional few days, until May 17, 2006 to respond to DTE 1-3. The Company would greatly appreciate this additional time in order to fully respond to the DTE 1-3.

Thank you very much for your time and attention to this matter.

Very truly yours,

  
Amy G. Rabinowitz

cc: Joseph W. Rogers, Office of the Attorney General

Information Request DTE 1-1

Request:

Please provide copies of pages 300 and 301 from the Company's FERC FORM 1 for calendar year 2005.

Response:

Please find attached to this response the FERC Form 1 pages requested. Please note that the 2005 FERC Form 1 reports for Massachusetts Electric Company and Nantucket Electric Company have not been filed yet, so these pages should be considered a draft.

|  |  |                                       |   |
|--|--|---------------------------------------|---|
| Name of Respondent<br>Massachusetts Electric Company | This Report Is:<br>(1) <input type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>/ / | Year/Period of Report<br>End of 2005/Q4 |
|--|--|---------------------------------------|---|

**ELECTRIC OPERATING REVENUES (Account 400)**

1. The following instructions generally apply to the annual version of these pages. Do not report quarterly data in columns (c), (e), (f), and (g). Unbilled revenues and MWH related to unbilled revenues need not be reported separately as required in the annual version of these pages.  
Report below operating revenues for each prescribed account, and manufactured gas revenues in total.
3. Report number of customers, columns (f) and (g), on the basis of meters, in addition to the number of flat rate accounts; except that where separate meter readings are added for billing purposes, one customer should be counted for each group of meters added. The -average number of customers means the average of twelve figures at the close of each month.
4. If increases or decreases from previous period (columns (c),(e), and (g)), are not derived from previously reported figures, explain any inconsistencies in a footnote.

| Line No. | Title of Account<br>(a)                   | Operating Revenues Year to Date Quarterly/Annual<br>(b) | Operating Revenues Previous year (no Quarterly)<br>(c) |
|----------|---|---|--|
| 1        | Sales of Electricity                      |   |  |
| 2        | (440) Residential Sales                   | <b>671,131,818</b>                                      | <b>523,999,657</b>                                     |
| 3        | (442) Commercial and Industrial Sales     |   |  |
| 4        | Small (or Comm.) (See Instr. 4)           | 441,282,781   | 369,775,663  |
| 5        | Large (or Ind.) (See Instr. 4)            | 100,390,660   | 102,275,288  |
| 6        | (444) Public Street and Highway Lighting  | 1,298,749   | 2,561,255  |
| 7        | (445) Other Sales to Public Authorities   |   |  |
| 8        | (446) Sales to Railroads and Railways     |   |  |
| 9        | (448) Interdepartmental Sales             |   |  |
| 10       | TOTAL Sales to Ultimate Consumers         | 1,214,104,008   | 998,611,863  |
| 11       | (447) Sales for Resale                    | 863,755   | 745,311  |
| 12       | TOTAL Sales of Electricity                | 1,214,967,763   | 999,357,174  |
| 13       | (Less) (449.1) Provision for Rate Refunds |   |  |
| 14       | TOTAL Revenues Net of Prov. for Refunds   | 1,214,967,763   | 999,357,174  |
| 15       | Other Operating Revenues                  |   |  |
| 16       | (450) Forfeited Discounts                 | 2,519,135   | 2,308,961  |
| 17       | (451) Miscellaneous Service Revenues      | 163,077,293   | 165,769,217  |
| 18       | (453) Sales of Water and Water Power      |   |  |
| 19       | (454) Rent from Electric Property         | 7,349,143   | 8,406,423  |
| 20       | (455) Interdepartmental Rents             |   |  |
| 21       | (456) Other Electric Revenues             | 781,572,301   | 742,714,585  |
| 22       |   |   |  |
| 23       |   |   |  |
| 24       |   |   |  |
| 25       |   |   |  |
| 26       | TOTAL Other Operating Revenues            | 954,517,872   | 919,199,186  |
| 27       | TOTAL Electric Operating Revenues         | 2,169,485,635   | 1,918,556,360  |

|   |  |                                       |   |
|---|--|---------------------------------------|---|
| Name of Respondent<br>Massachusetts Electric Company  | This Report Is:<br>(1) <input type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>/ / | Year/Period of Report<br>End of 2005/Q4 |
| <b>ELECTRIC OPERATING REVENUES (Account 400)</b>  |  |                                       |   |
| <p>5. Commercial and Industrial Sales, Account 442, may be classified according to the basis of classification (Small or Commercial, and Large or Industrial) regularly used by the respondent if such basis of classification is not generally greater than 1000 Kw of demand. (See Account 442 of the Uniform System of Accounts. Explain basis of classification a footnote.)</p> <p>6. See pages 108-109, Important Changes During Period, for important new territory added and important rate increase or decreases.</p> <p>7. For Lines 2,4,5, and 6, see Page 304 for amounts relating to unbilled revenue by accounts.</p> <p>8. Include unmetered sales. Provide details of such Sales in a footnote.</p> |  |                                       |   |
| <b>MEGAWATT HOURS SOLD</b>  |  | <b>AVG.NO. CUSTOMERS PER MONTH</b>    |   |
| Year to Date Quarterly/Annual<br>(d)  | Amount Previous year (no Quarterly)<br>(e)   | Current Year (no Quarterly)<br>(f)    | Previous Year (no Quarterly)<br>(g)     |
|   |  |                                       |   |
| 9,364,026   | 8,366,273  | 1,067,995                             | 1,062,747                               |
|   |  |                                       |   |
| 5,945,194   | 5,765,104  | 130,765                               | 130,856                                 |
| 1,330,578   | 1,575,615  | 3,948                                 | 4,268                                   |
| 34,408  | 42,242   | 928                                   | 825                                     |
|   |  |                                       |   |
|   |  |                                       |   |
| 16,674,206  | 15,749,234   | 1,203,637                             | 1,198,696                               |
| 11,037  | 11,135   | 143                                   | 146                                     |
| 16,685,243  | 15,760,369   | 1,203,780                             | 1,198,842                               |
|   |  |                                       |   |
| 16,685,243  | 15,760,369   | 1,203,780                             | 1,198,842                               |
| <p>Line 12, column (b) includes \$ 0 of unbilled revenues.</p> <p>Line 12, column (d) includes 0 MWH relating to unbilled revenues</p>  |  |                                       |   |

| Name of Respondent<br>Nantucket Electric Company  |   | This Report Is:<br>(1) <input type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |  | Date of Report<br>(Mo, Da, Yr)<br>/ / | Year/Period of Report<br>End of 2005/Q4 |
|---|---|--|--|---------------------------------------|---|
| ELECTRIC OPERATING REVENUES (Account 400)   |   |  |  |                                       |   |
| <p>1. The following instructions generally apply to the annual version of these pages. Do not report quarterly data in columns (c), (e), (f), and (g). Unbilled revenues and MWH related to unbilled revenues need not be reported separately as required in the annual version of these pages.</p> <p>2. Report below operating revenues for each prescribed account, and manufactured gas revenues in total.</p> <p>3. Report number of customers, columns (f) and (g), on the basis of meters, in addition to the number of flat rate accounts; except that where separate meter readings are added for billing purposes, one customer should be counted for each group of meters added. The -average number of customers means the average of twelve figures at the close of each month.</p> <p>4. If increases or decreases from previous period (columns (c), (e), and (g)), are not derived from previously reported figures, explain any inconsistencies in a footnote.</p> |   |  |  |                                       |   |
| Line No.  | Title of Account<br>(a)                   | Operating Revenues Year to Date Quarterly/Annual<br>(b)  | Operating Revenues Previous year (no Quarterly)<br>(c) |                                       |   |
| 1   | Sales of Electricity                      |  |  |                                       |   |
| 2   | (440) Residential Sales                   | 7,242,440  | 5,662,156  |                                       |   |
| 3   | (442) Commercial and Industrial Sales     |  |  |                                       |   |
| 4   | Small (or Comm.) (See Instr. 4)           | 3,167,698  | 2,722,075  |                                       |   |
| 5   | Large (or Ind.) (See Instr. 4)            | 33,372   | 285  |                                       |   |
| 6   | (444) Public Street and Highway Lighting  | 12,944   | 18,225   |                                       |   |
| 7   | (445) Other Sales to Public Authorities   |  |  |                                       |   |
| 8   | (446) Sales to Railroads and Railways     |  |  |                                       |   |
| 9   | (448) Interdepartmental Sales             |  |  |                                       |   |
| 10  | TOTAL Sales to Ultimate Consumers         | 10,476,454   | 8,402,741  |                                       |   |
| 11  | (447) Sales for Resale                    |  |  |                                       |   |
| 12  | TOTAL Sales of Electricity                | 10,476,454   | 8,402,741  |                                       |   |
| 13  | (Less) (449.1) Provision for Rate Refunds |  |  |                                       |   |
| 14  | TOTAL Revenues Net of Prov. for Refunds   | 10,476,454   | 8,402,741  |                                       |   |
| 15  | Other Operating Revenues                  |  |  |                                       |   |
| 16  | (450) Forfeited Discounts                 | 16,027   | 13,324   |                                       |   |
| 17  | (451) Miscellaneous Service Revenues      | 1,111,203  | 1,082,274  |                                       |   |
| 18  | (453) Sales of Water and Water Power      |  |  |                                       |   |
| 19  | (454) Rent from Electric Property         | 13,163   | 88,951   |                                       |   |
| 20  | (455) Interdepartmental Rents             |  |  |                                       |   |
| 21  | (456) Other Electric Revenues             | 8,069,470  | 8,718,679  |                                       |   |
| 22  |   |  |  |                                       |   |
| 23  |   |  |  |                                       |   |
| 24  |   |  |  |                                       |   |
| 25  |   |  |  |                                       |   |
| 26  | TOTAL Other Operating Revenues            | 9,239,863  | 8,903,228  |                                       |   |
| 27  | TOTAL Electric Operating Revenues         | 19,716,317   | 18,305,969   |                                       |   |

|  |  |                                       |   |
|--|--|---------------------------------------|---|
| Name of Respondent<br>Nantucket Electric Company | This Report Is:<br>(1) <input type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>/ / | Year/Period of Report<br>End of 2005/Q4 |
|--|--|---------------------------------------|---|

**ELECTRIC OPERATING REVENUES (Account 400)**

5. Commercial and Industrial Sales, Account 442, may be classified according to the basis of classification (Small or Commercial, and Large or Industrial) regularly used by the respondent if such basis of classification is not generally greater than 1000 Kw of demand. (See Account 442 of the Uniform System of Accounts. Explain basis of classification in a footnote.)

6. See pages 105-106, Important Changes During Period, for important new territory added and important rate increase or decreases.

7. For Lines 2,4,5, and 6, see Page 304 for amounts relating to unbilled revenue by accounts.

8. Include unmetered sales. Provide details of such Sales in a footnote.

| MEGAWATT HOURS SOLD                  |  | AVG. NO. CUSTOMERS PER MONTH       |                                     | Line No. |
|--------------------------------------|--|------------------------------------|-------------------------------------|----------|
| Year to Date Quarterly/Annual<br>(d) | Amount Previous year (no Quarterly)<br>(e) | Current Year (no Quarterly)<br>(f) | Previous Year (no Quarterly)<br>(g) |          |
|                                      |  |                                    |                                     | 1        |
|                                      |  |                                    |                                     | 2        |
|                                      |  |                                    |                                     | 3        |
|                                      |  |                                    |                                     | 4        |
|                                      |  |                                    |                                     | 5        |
|                                      |  |                                    |                                     | 6        |
|                                      |  |                                    |                                     | 7        |
|                                      |  |                                    |                                     | 8        |
|                                      |  |                                    |                                     | 9        |
| 93,161                               | 90,545                                     | 10,520                             | 9,915                               | 10       |
|                                      |  |                                    |                                     | 11       |
| 40,948                               | 42,504                                     | 1,301                              | 1,227                               | 12       |
| 388                                  | 4  | 2                                  | 1                                   | 13       |
| 179                                  | 277  | 3                                  | 3                                   | 14       |
|                                      |  |                                    |                                     | 15       |
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|                                      |  |                                    |                                     | 99       |
|                                      |  |                                    |                                     | 100      |

|                                 |   |                                   |
|---------------------------------|---|-----------------------------------|
| Line 12, column (b) includes \$ | 0 | of unbilled revenues.             |
| Line 12, column (d) includes    | 0 | MWH relating to unbilled revenues |

Information Request DTE 1-2

Request:

Please provide a table, in an electronic EXCEL spreadsheet (formulas included), that identifies all revenue components maintained on the Company's ledger, that is, both a descriptive name and the associated annual revenues. Add as many "other" lines as appropriate. If necessary add additional columns to the table below.

Utilize the following format.

Year: 2005

| Col 1   | #2  | #3  | #4  | #5  | #6  | #7  | #8  | #9    |
|---------|-----|-----|-----|-----|-----|-----|-----|-------|
| Account | 440 | 442 | 442 | 444 | 445 | 446 | 448 | Total |

Distribution Revenue

Transmission Revenue

other (describe)

Energy Supply

Total

Where the total line is equivalent to  
FERC FORM 1, page 300, line

|   |   |   |   |   |   |   |    |
|---|---|---|---|---|---|---|----|
| 2 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|---|---|---|---|---|---|---|----|

Response:

Please refer to the attachment to this response and the accompanying Excel file named "DTE 1-2 Att.xls." The maximum penalty and incentive per Section 2, Page 1 of the 2005 Service Quality Reports are based on the transmission and distribution revenues recorded by the Company, less the accruals for service quality penalties and incentives during the year.

During 2005, the amount for Massachusetts Electric Company is reflected on Page 1 of the attachment by the transmission revenue of \$164,386,738, plus the distribution revenue of \$561,442,931 (the sum of Customer Charge and Distribution Revenue), less the net accruals for service quality penalties and incentives of \$934,812, resulting in the final amount of transmission and distribution revenue of \$724,894,857.

During 2005, the amount for Nantucket Electric Company is reflected on Page 2 of the attachment by the transmission revenue of (\$1,002,646), plus the distribution revenue of \$6,941,741 (the sum of Customer Charge and Distribution Revenue), resulting in the final amount of transmission and distribution revenue of \$5,939,095.

Massachusetts Electric Company  
2005 Revenue Components

| Year: 2005 |  | <u>Account</u>              | <u>440</u>    | <u>442</u>    | <u>442</u>    | <u>444</u>  | <u>447</u> | <u>450</u>  | <u>451</u>    | <u>454</u>  | <u>456</u>    | <u>Total</u>    |
|------------|--|-----------------------------|---------------|---------------|---------------|-------------|------------|-------------|---------------|-------------|---------------|-----------------|
| (1)        |  | Access Revenue              |               |               |               |             |            |             |               |             |               | \$160,315,998   |
| (2)        |  | Customer Charge             |               |               |               |             |            |             | \$109,192,500 |             |               | \$109,192,500   |
| (3)        |  | Distribution Revenue        |               |               |               |             |            |             |               |             | \$452,250,431 | \$452,250,431   |
| (4)        |  | Total Distribution Revenue  | \$0           | \$0           | \$0           | \$0         | \$0        | \$0         | \$109,192,500 | \$0         | \$452,250,431 | \$561,442,931   |
| (5)        |  | DSM Revenue                 |               |               |               |             |            |             | \$53,174,125  |             |               | \$53,174,125    |
| (6)        |  | Transmission Revenue        |               |               |               |             |            |             |               |             | \$164,386,738 | \$164,386,738   |
| (7)        |  | Other:                      |               |               |               |             |            |             |               |             |               |                 |
| (8)        |  | Forfeited Discounts         |               |               |               |             |            | \$2,519,135 |               |             |               | \$2,519,135     |
| (9)        |  | Misc Service Revenues       |               |               |               |             |            |             | \$710,668     |             |               | \$710,668       |
| (10)       |  | Rent from Electric Property |               |               |               |             |            |             |               | \$7,349,143 |               | \$7,349,143     |
| (11)       |  | Other Electric Revenues     |               |               |               |             |            |             |               |             | \$4,619,134   | \$4,619,134     |
| (11)       |  | Energy Supply               | \$671,131,818 | \$441,282,781 | \$100,390,660 | \$1,298,749 | \$863,755  |             |               |             |               | \$1,214,967,763 |
| (12)       |  | Total per Form 1            | \$671,131,818 | \$441,282,781 | \$100,390,660 | \$1,298,749 | \$863,755  | \$2,519,135 | \$163,077,293 | \$7,349,143 | \$781,572,301 | \$2,169,485,635 |

(1) - (3) Company breakdown of Other Operating Revenue  
(4) Line (2) + Line (3)  
(5) - (10) Company breakdown of Other Operating Revenue  
(11) Company breakdown of Sales of Electricity  
(12) Line (1) + Sum of Lines (4) through (11)



**Year: 2005**

|      | <u>Account</u>              | <u>440</u>  | <u>442</u>  | <u>442</u> | <u>444</u> | <u>450</u> | <u>451</u>  | <u>454</u> | <u>456</u>    | <u>Total</u>  |
|------|-----------------------------|-------------|-------------|------------|------------|------------|-------------|------------|---------------|---------------|
| (1)  | Access Revenue              |             |             |            |            |            |             |            | \$888,854     | \$888,854     |
| (2)  | Customer Charge             |             |             |            |            |            | \$925,215   |            |               | \$925,215     |
| (3)  | Distribution Revenue        |             |             |            |            |            |             |            | \$6,016,526   | \$6,016,526   |
| (4)  | Total Distribution Revenue  | \$0         | \$0         | \$0        | \$0        | \$0        | \$925,215   | \$0        | \$6,016,526   | \$6,941,741   |
| (5)  | DSM Revenue                 |             |             |            |            |            | \$24,448    |            |               | \$24,448      |
| (6)  | Transmission Revenue        |             |             |            |            |            |             |            | (\$1,002,646) | (\$1,002,646) |
| (7)  | Other:                      |             |             |            |            |            |             |            |               |               |
| (8)  | Forfeited Discounts         |             |             |            |            | \$16,027   |             |            |               | \$16,027      |
| (9)  | Misc Service Revenues       |             |             |            |            |            | \$161,540   |            |               | \$161,540     |
| (10) | Rent from Electric Property |             |             |            |            |            |             | \$13,163   |               | \$13,163      |
| (10) | Other Electric Revenues     |             |             |            |            |            |             |            | \$2,196,736   | \$2,196,736   |
| (11) | Energy Supply               | \$7,242,440 | \$3,187,698 | \$33,372   | \$12,944   |            |             |            |               | \$10,476,454  |
| (12) | Total                       | \$7,242,440 | \$3,187,698 | \$33,372   | \$12,944   | \$16,027   | \$1,111,203 | \$13,163   | \$8,099,470   | \$19,716,317  |

|            |  |
|------------|--|
| (1) - (3)  | Company breakdown of Other Operating Revenue |
| (4)        | Line (2) + Line (3)                          |
| (5) - (10) | Company breakdown of Other Operating Revenue |
| (11)       | Company breakdown of Sales of Electricity    |
| (12)       | Line (1) + Sum of Lines (4) through (11)     |

Information Request DTE 1-4

Request:

Refer to Exh. Meco-1, Section 2 at 1. For SAIDI and SAIFI, provide the penalty amounts that would have resulted had IEEE 1366 been employed, as opposed to the traditional measures of SAIDI and SAIFI used by the Company.

Response:

Per Section 2, Page 1 of the 2005 Service Quality Report for Massachusetts Electric Company, the Company incurred the maximum penalty of \$3,262,027 for both SAIDI and SAIFI during 2005.

If IEEE 1366 had been employed during 2005, the following minimum and maximum penalty triggers would have been in effect. Also included in the following table is the actual performance for 2005 using IEEE 1366.

| <b>IEEE Triggers:</b> | <b>SAIDI</b> | <b>SAIFI</b> |
|-----------------------|--------------|--------------|
| Minimum Penalty       | 112.24       | 1.397        |
| Maximum Penalty       | 130.82       | 1.524        |
| Actual Performance    | 141.74       | 1.491        |

Using the information in the above table, the Company would have incurred the maximum penalty of \$3,262,027 for SAIDI, and a penalty of approximately \$2,414,414 for SAIFI, using linear interpolation to calculate the penalty for simplicity:

$$(1.491-1.397) / (1.524-1.397) \text{ times } \$3,262,027$$